



New Jersey District Office

SBA New Jersey

Your Small Business Resource

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For More Information:

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SBA Loans to NJ Minority-Owned Firms are Up 25%

The U.S. Small Business Administration New Jersey District Office reported a 25 percent increase in the number of SBA loan approvals that New Jersey minority small business owners received during the first three quarters of the agency's fiscal year 2006.

According to SBA New Jersey District Director James A. Kocsi, New Jersey minority-owned small businesses received 1,255 SBA-backed loans for \$189.3 million from the period of October 1, 2005 through June 30, 2006, compared to the 1,000 loans for \$197 million that were approved through the third quarter of fiscal year 2005.

"With three quarters of fiscal year 2006 completed, we are well on our way to again setting a new record in SBA lending for New Jersey minority small businesses," said Kocsi. "Currently, 48 percent of all SBA loan approvals and 43 percent of the total dollars are going to minority-owned firms."



Serving up Success—Hispanic-American small business owners like Daniel Pinheiro (far left) seen here with his waitress staff at Stewart's Original Root Beer Restaurant in Long Branch, are benefiting from the increase in SBA loan approvals to minority small businesses. A \$460,000 SBA loan from Interchange Bank allowed Daniel and his father Jose to finance leasehold improvements, purchase equipment and cover the closing costs to purchase the Stewart's franchise. During the first nine months of fiscal year 2006, SBA loans to Hispanic-American small business owners rose 39 percent.

During the first nine months of fiscal year 2006, the SBA New Jersey District Office approved 169 loans for \$19 million to African-American small businesses; Hispanic-American small business owners received 314 loans for \$37.3 million; Asian-American small business owner received 737 loans for \$130.2 million; and another 35 loans for \$2.8 million went to other minority groups.

According to Kocsi, loans to African-American small businesses in the state increased 16 percent over last year's figures. Loans to Asian-Americans increased 18 percent; and loans to Hispanic-Americans jumped dramatically with a 39 percent increase.

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President Bush Taps Steven C. Preston to Lead SBA



Steven C. Preston

"I am also humbled by the bipartisan support I have received in Congress and am committed to fostering a strong relationship with the many stakeholders of the SBA."

Steven C. Preston
SBA Administrator

Steven C. Preston was sworn in Monday, July 10, 2006 as Administrator of the U.S. Small Business Administration.

Preston, nominated to the position by President Bush, is a former business executive with broad experience in financial management and executive leadership. He is the 22nd Administrator of the SBA since the agency's establishment in 1953, succeeding Hector V. Barreto, who took office on July 25, 2001.

He was confirmed by the U.S. Senate by unanimous consent on June 29. The Senate Committee on Small Business and Entrepreneurship had unanimously recommended Preston's confirmation earlier in the day.

"I am grateful to President Bush for the opportunity to serve in a way that so directly affects the lives of so many Americans," Preston said. "I am also humbled by the bipartisan support I have received in Congress and am committed to fostering a strong relationship with the many stakeholders of the SBA."

During his confirmation hearing on June 21, Preston emphasized the importance of sophisticated financial management, operational responsiveness and a customer service culture at the SBA. "None of this happens by accident," he said. "It requires dogged focus to move the ball forward each and every day."

Until recently, Preston was Executive Vice President of The ServiceMaster Company, a major franchising organization with thousands of small businesses in its network. Preston also had served as Chief Financial Officer. He previously had been Senior Vice President and Treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

He currently serves as vice chairman of the Board of Visitors for the Weinberg College of Arts and Sciences at Northwestern University, and has served on numerous boards of philanthropic and other organizations.

Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University Of Chicago Graduate School Of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany.

Preston and his wife, Molly have five children and will be relocating to the Washington, D.C., area.

Nine Lenders Offer Veterans Incentives on SBA Loans

In an effort to increase the number of loan approvals to veteran small business owners and entrepreneurs, the U.S. Small Business Administration's New Jersey District Office has announced that nine SBA lenders have agreed to provide veterans with preferential pricing terms on SBA guaranteed loans.

In making the announcement, SBA New Jersey District Director James A. Kocsi said that **Banco Popular of North Bergen; First State Bank of Cranford; First Washington State Bank of Windsor; Interchange Bank of Saddle Brook; Lakeland Bank of Teaneck; New Millennium Bank of New Brunswick; Skylands Community Bank of Hackettstown; Somerset Valley Bank of Somerville; and The Bank of Woodbury** all have agreed to offer veterans anything from prime rate to waiving SBA's guaranty fee on certain loan amounts.

"In an effort to show our appreciation for the sacrifices made by our veterans, we reached out to our lenders and asked them if they would help us to better assist this market," said Kocsi.

"I applaud the lenders who have stepped forward to help us with this initiative," said Kocsi. "I encourage more lenders to join us. We certainly believe that we can increase the number of loans to veterans and that a program like this will give small businesses owned by veterans some additional help in financing their operations."

According to Kocsi, the majority of lenders participating have agreed to offer their incentives through September 30, 2006, the last day of SBA's Fiscal Year 2006. So far this year, the New Jersey District Office has approved 107 loans to veterans for \$14.8 million.

For additional information about this program, contact William Boone, New Jersey District Office's assistant district director for lender relations, at (973) 645-2179.

Veterans Financing Workshop Set for Aug. 30th

The SBA is teaming up with the Bergen Community College Small Business Development Center to provide veterans with information on the preferential pricing that nine lenders have agreed to provide to veterans on SBA guaranteed loans.

The free workshop will be held at the Ciarco Learning Center located at 355 Main Street in Hackensack on Wednesday, August 30th from 9:00 a.m. – 11:30 a.m. To register call the Bergen Community College SBDC at (201) 489-8670.

SBA's NJ Top Lenders in FY 2006

(For the Period of October 1, 2005 through June 30, 2006)

Lender	# of Loans	\$Amount
1) Bank of America	604	\$22.5 Million
2) PNC Bank	373	\$52.1 Million
3) Commerce Bank	187	\$71.0 Million
4) Broadway National Bank	142	\$36.7 Million
5) Citizens Bank of Rhode Island	114	\$ 7.6 Million
6) JPMorgan Chase Bank	102	\$ 4.5 Million
7) HSBC Bank USA	82	\$ 4.3 Million
8) Capital One Bank	80	\$ 3.2 Million
9) Valley National Bank	79	\$15.4 Million
10) Sun National Bank	66	\$18.0 Million

Loans to Minorities are Up 25%

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Bank of America, SBA's leading lender during the first three quarters of fiscal year 2006, led all banks in lending to minority-owned firms based in New Jersey. During that time, Bank of America approved 35 loans for \$855,000 to African-American small business owners; 96 loans for \$2.3 million to Hispanic-American small business owners; and 205 loans for \$11 million to Asian-American small business owners.

Overall, the SBA New Jersey District Office approved 2,623 loans for \$446 million during the first the first three quarters of SBA's fiscal year 2006. According to Kocsi that is a 2 percent drop from the 2,682 loans for \$413.3 million that the office approved during the first three quarters of fiscal year 2005.

"I am very pleased with the upward trend we are seeing in minority lending throughout New Jersey," said Kocsi.

"Historically, the last quarter of our fiscal year has delivered the strongest loan volume and we hope that the final quarter of July through September will allow us to set another lending record for fiscal year 2006."

Leading the way in SBA lending during the first three quarters was Bergen County with 507 loans for \$63.2 million. Essex County was second with 211 loans for \$36.7 million; Middlesex County was third with 200 loans for \$32.6 million; Monmouth County was fourth with 178 loans for \$35.7 million; Hudson County was fifth with 160 loans for \$19.3 million; and Passaic County was sixth with 157 loans for \$22.3 million.

NJ Industries Receiving Most SBA Loans

For the period of October 1, 2005
through June 30, 2006

1) Full Service Restaurants
2) Limited Service Restaurants
3) Drycleaners/Laundry Services
4) Liquor Stores
5) Nail Salons
6) Hair Salons
7) Daycare Centers
8) Trucking Services
9) Landscaping Services
10) Auto Repair Shops

UPCOMING EVENTS

Women-Owned Business Government Procurement Fair

Wednesday, August 9, 2006

9:00 a.m. – 1:00 p.m.

The Skylands at Randolph

792 Route 10 West

Randolph, NJ

Fee: \$25

For Information: (973) 724-3488

Veterans Workshop – Financing Your Small Business

Wednesday, August 30, 2006

9:00 a.m. – 11:30 a.m.

Ciarco Learning Center – 355 Main Street

Hackensack, NJ 07601

Fee: None

For Information: (201) 489-8670

Starting and Managing Your Own Business

Tuesday, September 19, 2006

9:00 a.m. – 2:30 p.m.

SBA Office – Two Gateway Center - 15 Fl.

Newark, NJ 07102

Fee: \$30 (Includes Book)

For information: (973) 645-2434 or

NewarkScore@yahoo.com

First Steps of Starting and Planning a Small Business

Thursday, September 28, 2006

6:00 p.m. – 9:00 p.m.

Raritan Valley Community College SBDC

North Branch, NJ

Fee: \$44

For Information: (908) 526-1200 ext. 8516

Finance Options for Growing Your Business

Tuesday, October 17, 2006

6:00 p.m. – 8:00 p.m.

Raritan Valley Community College SBDC

North Branch, NJ

Fee: None

For Information: (908) 526-1200 ext. 8516

Building a Consulting Business

Friday, October 20, 2006

9:00 a.m. – 12:00 Noon

Ciarco Learning Center – 355 Main Street

Hackensack, NJ 07601

Fee: \$40

For Information: (201) 489-8670

Success must be Fate

It's where skateboards, surf, fashion and music all meet. Leslie Adam calls it Fate, a Manahawkin boutique that offers its customers an eclectic mix of fun, style and hip.

The 24 year-old came up with the concept for the store when she was applying for a scholarship at the Art Institute of Philadelphia. As part of the scholarship competition, she was asked to come up with a design of a fictitious store. Adam had envisioned Fate. The design was good enough to earn her a scholarship at the Art Institute of Philadelphia where she studied Fashion Marketing.

After graduation, Adam had offers to work for some major companies who wanted to tap into her passion and talent for marketing and retail. But it was Adam's mom, Wendy Van Hest-Smith, who made her an offer she couldn't refuse.

Smith had offered her daughter the money she put aside for her education to start

her own business. It was an offer that Adam gladly accepted.

That was three years ago, and Adam has never looked back. "I wanted to create something very unusual," said Adam. "I didn't want my customers going to malls or driving to the city for items they could find right here."

After her first year in business, Adam realized that in order to grow the business properly she would need additional working capital. She met with Diane Power of Commerce Bank who helped her process the paperwork for a \$30,000 revolving line of credit backed by the U.S. Small Business Administration. The SBA loan helped her to purchase inventory for the store during the off-peak months.

"Diane really went above and beyond to help me secure the SBAExpress loan," said Adam. "Diane saw the potential that this business has and went out of her way to see that Commerce Bank approved the loan. She believed in me and my vision."

Today, Fate carries clothing

lines like Volcom, Kr3w, and Adio, as well as designer clothing from the likes of Ben Sherman, Betsey Johnson and Paul Frank. It's a store that also carries skateboards, surfboards, accessories, and hard to find music from metal to indie rock artists.

Currently, Adam is working at redesigning Fate's Web site at www.fatestore.com. "The Web site has definitely generated interest in the store," said Adam. "We are making some improvements and hope that it will generate additional interest in Fate."

"We have a lot of repeat business," said Adam. "Word of mouth is the best advertising you can get. When you put it all together under one roof it just works. We truly have fun with everyone."

But when it comes to her own success, Leslie Adam will be the first to tell you that it must be Fate.



SAVE THE DATE! SAVE THE DATE! SAVE THE DATE!

**FRIDAY, SEPTEMBER 22, 2006
PHILADELPHIA CONVENTION CENTER
PHILADELPHIA, PA**

This free event will combine education, training, counseling, and networking, as well as meetings between small businesses and procurement representatives from government agencies and major corporations.

**To register for Business Matchmaking, please visit
www.BusinessMatchmaking.com**